



STANDING STRONG

2023 ANNUAL REPORT



DALLAS COUNTY
"OLD RED" COURTHOUSE

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STRONG TO THE CORE

DEAR FELLOW SHAREHOLDERS,

For many years, the management philosophy of our Company has been to limit growth when necessary to maintain a strong and resilient balance sheet, positioned to weather inevitable economic downturns. To do this, we closely manage concentrations across our primary banking products, we maintain a diverse mix and maturity schedule of loans and investment securities, and we provide well diversified services and account types that benefit our customers. This past year highlighted the wisdom of this philosophy.

Significant challenges across the banking landscape occurred due to the rapid rise in interest rates, which increased 5.00% over a 16-month period. Of its many economic consequences, two were the creation of significant unrealized losses on securities held by all banks and undesirable net interest margin pressures. Concerns from declining commercial real estate values and a significant slowing of the mortgage market also weighed heavily on the financial sector.

Individually, these challenges can create modest performance headwinds for banks, but their cumulative effects can be more significant, especially for institutions that operate a more concentrated position in impacted asset and

deposit classes. During 2023, five banks failed due to this existential threat. In almost all banks, compressed net interest margins still present earnings challenges within the industry. In fact, these factors caused the KBW Nasdaq Regional Banking Index to decline by -4.0% for the year.

Guaranty also had to navigate these challenges, and we did experience some level of negative impact from each of them. However, due to our overall risk management philosophy, I am pleased to say that the overall impact was relatively mild. Guaranty's total per share return for 2023 was -0.3%, after paying a dividend of \$0.92 per share (a 2.75% yield based on the year-end closing price).

Due to the shorter duration of our investment securities portfolio, our unrealized losses were a nominal 12.7% of total equity at year-end. Our net income declined for the year, due to compression of our net interest margin (NIM), however we did experience continued improvements in our NIM during the last half of the year.



SULPHUR SPRINGS
HOPKINS COUNTY COURTHOUSE



LONGVIEW, TX

Furthermore, we are modeling a return to our normal range by the end of 2024. Our liquidity and capital, as well as our overall asset quality, remain strong.

Prudent risk management practices can slow growth for banks, even during expansionary periods, but those same management practices often reward banks during a downturn or unexpected negative event in the form of less volatile outcomes. We will continue to manage Guaranty's risk tolerance and profile in all areas of our Bank with this in mind. We ended 2023 with total assets of \$3.2 billion, total loans of \$2.3 billion, and total deposits of \$2.6 billion, all of which are moderately down from the prior year as we allowed the balance sheet to contract approximately 5% during the year.

Given the backdrop of macroeconomic events over the last two years, we feel that Guaranty Bancshares generated acceptable financial results in 2023. Net income was \$30.0 million, a 25% decrease from the prior year, and earnings per share were \$2.57, compared to \$3.38 in 2022. These decreases are primarily attributable to the net interest margin compression from the rapid rise in interest rates.

During 2023, we deployed excess capital to improve overall shareholder value. During the downturn in bank stock prices, we repurchased 434,798 shares of our Company shares. Such stock buy-backs purchased at advantageous valuations will prove to be accretive to our shareholders in future years. Maintaining a strong balance sheet and capital is essential in positioning us to take advantage of these opportunities when they arise.

While our Company experienced several strategic achievements during the year, here are a few highlights:

- We celebrated G/110 all year – our 110-year bank anniversary.
- GNTY transferred its stock listing to the New York Stock Exchange.
- We made a \$1 million investment in Austin Housing Conservancy to help provide affordable housing for the Austin MSA.
- We opened our new bank location in Georgetown.
- We launched Guaranty Community First Mortgage Program to help bring affordable

housing opportunities to low-income areas in our markets.

- We moved to our new Ft. Worth bank location, celebrating with a December ribbon cutting.

For 2024, we expect to see moderate growth in loans and deposits due to slower loan demand in our markets with higher rates. Many potential borrowers are challenged to generate acceptable rates of returns in today's higher rate environment, compared to the past several years, causing delays in potential lending opportunities until lower rates return. In this environment, I believe it is prudent not to try to grow the balance sheet just for growth's sake and to accept the realities of the macro environment.

Maintaining a strong balance sheet, good liquidity, and excess capital positions our Bank well for accelerated growth when the economic environment improves. This was our strategy during the 2008 financial crisis, which allowed us to grow aggressively from 2010 through 2016, and we plan to repeat this strategy in the current environment. Our Bank has the advantage of a solid and granular core deposit base, while also having the liquidity and ability to grow loans and deposits in several of the top growth markets in the country, including Dallas/Ft. Worth, Austin, Bryan/College Station, and the Houston MSA. These strengths and advantages should allow Guaranty to resume our organic growth strategies in the coming years. Additionally, given our brand and corporate reputation, we remain a preferred partner for many other banks that are considering a sale. Due to this factor, we will also continue to look for potential acquisition opportunities in our primary markets.

As mentioned above, our well-known and recognized "Guaranty" brand presence in Texas is now over 110 years old. Our iconic "G" logo, recognized across the state of Texas, continues to build brand value. Our brand loyalty and reputation are a significant part of who we are as a bank, providing a strong foundation for our future growth prospects.

Finally, I want to recognize three bank executives who are retiring in the first quarter of 2024 after many years of service.

- Cappy Payne, most recently our Chief

- Financial Officer, for 40 years
- Martin Bell, Chief Operations Officer, for 20 years
- Chuck Cowell, Vice Chairman, for over 9 years

Each of these officers has made significant contributions to the success of Guaranty. On behalf of everyone at our Company, I want to thank them for their dedication to the success of our Company and wish them much happiness in retirement. They will each be missed, yet we are fortunate to have developed a strong bench of talent over the years to step up and fill their big shoes.

In closing, I want to thank you, fellow shareholders, for your continued investment, support, and confidence in Guaranty Bancshares and Guaranty Bank & Trust.

"FOR MANY YEARS, THE MANAGEMENT PHILOSOPHY OF OUR COMPANY HAS BEEN TO LIMIT GROWTH WHEN NECESSARY TO MAINTAIN A STRONG AND RESILIENT BALANCE SHEET, POSITIONED TO WEATHER INEVITABLE ECONOMIC DOWNTURNS."



TY ABSTON
CHAIRMAN OF THE BOARD & CEO



STRONG DIRECTION

2023 YEAR
IN REVIEW

110 YEARS

WE CELEBRATED OUR 110 YEAR
ANNIVERSARY ALL YEAR THROUGH FUN
EVENTS AND CUSTOMER AWARENESS



434,798 SHARES

REPURCHASED OF GNTY STOCK, IMPROVING
OVERALL SHAREHOLDER VALUE

PROVIDED SCHOOL SUPPLIES AND OTHER SERVICES
TO MORE THAN 10,000 STUDENTS

PARTICIPATED IN THE DALLAS
MAYOR'S BACK TO SCHOOL FAIR

\$1 MILLION

AUSTIN HOUSING CONSERVANCY FOR
AFFORDABLE HOUSING



GUARANTY BANCSHARES
BOARD OF DIRECTORS

FRONT ROW

LEFT TO RIGHT

JEFF BROWN

MANAGING PARTNER
ROSEROCK

KIRK LEE

PRESIDENT
GUARANTY BANCSHARES, INC.

TY ABSTON

CHAIRMAN OF THE BOARD & CEO
GUARANTY BANCSHARES, INC.

CAPPY PAYNE

SENIOR EXECUTIVE VICE PRESIDENT
GUARANTY BANCSHARES, INC.

RICKY BAKER

KRB INVESTMENTS, LLC

BACK ROW

LEFT TO RIGHT

SHALENE JACOBSON

EXECUTIVE VICE PRESIDENT, & CFO
GUARANTY BANCSHARES, INC.

CHRIS ELLIOT

PRESIDENT
ELLIOTT AUTO GROUP

BRAD DRAKE

CEO
LAMAR COMPANIES, LLC

JIM BUNCH

PRESIDENT & CEO
BWI, INC.

MIKE NOLAN

INVESTMENTS

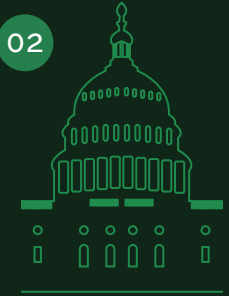
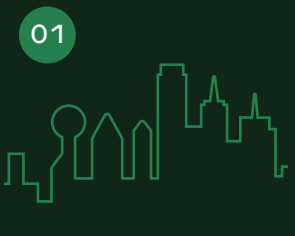
CARL JOHNSON JR.

PRINCIPAL
BAKER & JOHNSON, CPA

SONDRA CUNNINGHAM

BOARD SECRETARY
GUARANTY BANCSHARES, INC.

A FOUNDATION AS STRONG AS TEXAS



As we continue to build out our strong Texas footprint, we are proud of our new second full-service bank location in Georgetown, Texas, a suburb north of Austin, Texas, which opened in May 2023. We also moved to a new and vibrant Ft. Worth bank location in December 2023, that will serve as an easily accessible and long-term home for our growing team and customer base in that area.

Our employees take great pride in the communities in which they live and serve, as shown below. In 2023, our Company and our employees provided outstanding community service and support through monetary contributions of over \$424,000 and 4,117 employee reported volunteer hours to 214 different organizations.

01. DFW REGION

- DALLAS
- ADDISON
- DENTON (2)
- FORT WORTH
- ROCKWALL
- ROYSE CITY

02. CENTRAL TEXAS REGION

- AUSTIN
- GEORGETOWN (2)
- LAKEWAY
- BRYAN
- COLLEGE STATION (2)

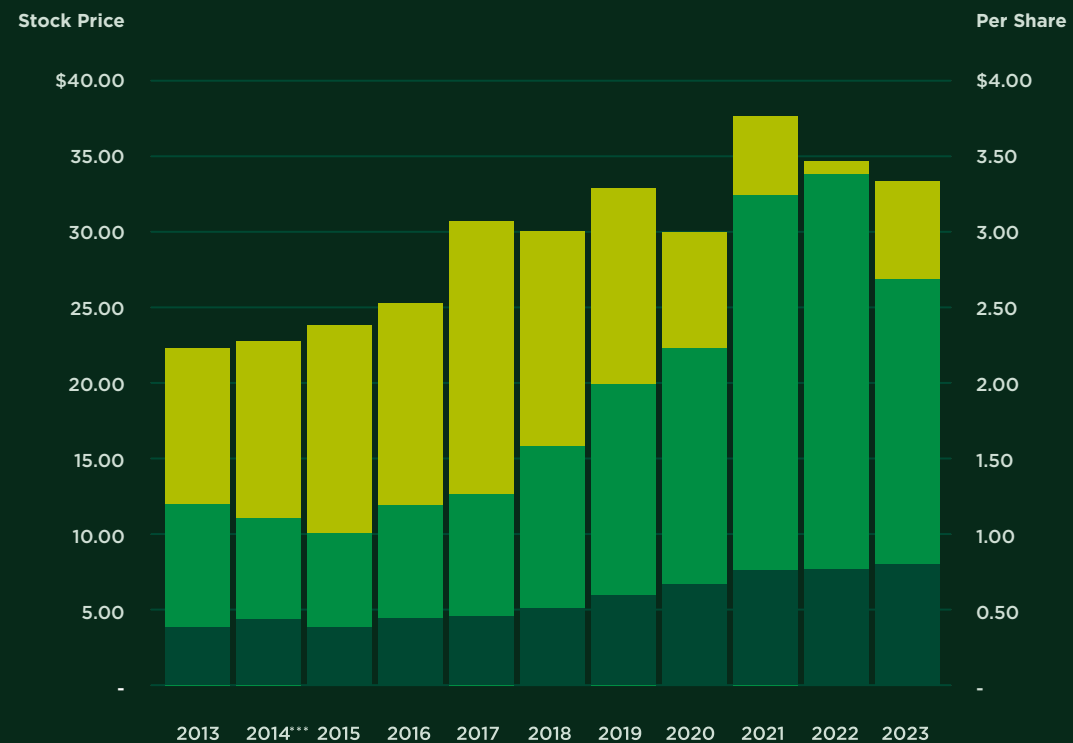
03. EAST TEXAS REGION

- BOGATA
- COMMERCE
- HALLSVILLE
- LONGVIEW
- MOUNT PLEASANT (2)
- MOUNT VERNON
- NEW BOSTON
- PARIS (2)
- PITTSBURG
- SULPHUR SPRINGS
- TEXARKANA (3)

04. HOUSTON REGION

- HOUSTON
- HOUSTON GALLERIA
- CONROE
- KATY

STOCK PRICE, EPS, AND DIVIDENDS



■ STOCK PRICE* ■ EARNINGS PER SHARE** ■ DIVIDENDS PER SHARE**

* Pre-IPO stock prices are based on third-party valuations as of December 31 of each respective year.

** Earnings per share and dividends per share prior to 2021 have been adjusted to effect the 10% stock dividend in the first quarter of 2021.

***2014 dividends paid and payout ratio excludes a \$1.00 special dividend paid to shareholders in connection with the termination of subchapter S election.



PUBLIC MARKET
FORT WORTH, TX

TOTAL ASSETS

\$3.2B

TOTAL LOANS

\$2.3B

TOTAL DEPOSITS

\$2.6B

CORE EARNINGS

\$37M

FINANCIAL HIGHLIGHTS

(In thousands, except per share data)

OPERATING RESULTS	2019	2020	2021	2022	2023
Net interest income	\$78,870	\$89,982	\$95,558	\$107,829	\$96,980
Provision for loan losses	1,250	13,200	(1,700)	2,150	—
Non-interest income	16,973	23,037	24,576	23,485	22,513
Net realized gain (loss) on securities	(22)	—	—	172	—
Non-interest expense	62,525	66,522	73,278	79,907	82,354
Earnings before provision for income taxes	32,057	33,297	48,556	49,257	37,139
Income tax provision	5,778	5,895	8,750	8,834	7,130
Net earnings	26,279	27,402	39,806	40,423	30,009
Core earnings ¹	33,307	40,261	39,034	50,154	37,146

AT YEAR END

Total assets	\$2,318,444	\$2,740,832	\$3,086,070	\$3,351,495	\$3,184,791
Loans and loans held for sale, net of allowance	1,693,162	1,837,279	1,880,205	2,347,401	2,291,857
Investments in securities	368,174	380,795	526,469	697,935	600,403
Total deposits	1,956,804	2,286,390	2,670,827	2,681,154	2,633,246
Stockholders' equity	261,551	272,643	302,214	295,558	303,846
Weighted average common shares outstanding ²	12,803,900	12,219,420	12,065,182	11,980,209	11,693,761

OTHER FINANCIAL DATA

Return on average total assets	1.13%	1.07%	1.36%	1.24%	0.92%
Return on average stockholders' equity	10.37%	10.39%	13.72%	13.76%	10.10%
Loans to deposits	87.20%	81.65%	70.24%	87.43%	87.00%
Loan loss reserves to loans	0.95%	1.80%	1.59%	1.34%	1.33%
Net interest margin, fully taxable equivalent	3.69%	3.77%	3.51%	3.54%	3.17%
Tier 1 capital to average assets	10.29%	9.13%	9.18%	8.77%	9.47%
Efficiency ratio	65.23%	58.86%	61.00%	60.85%	68.92%
Charge-offs net of recoveries	\$(301)	\$331	\$1,486	\$609	\$1,054

PER SHARE DATA

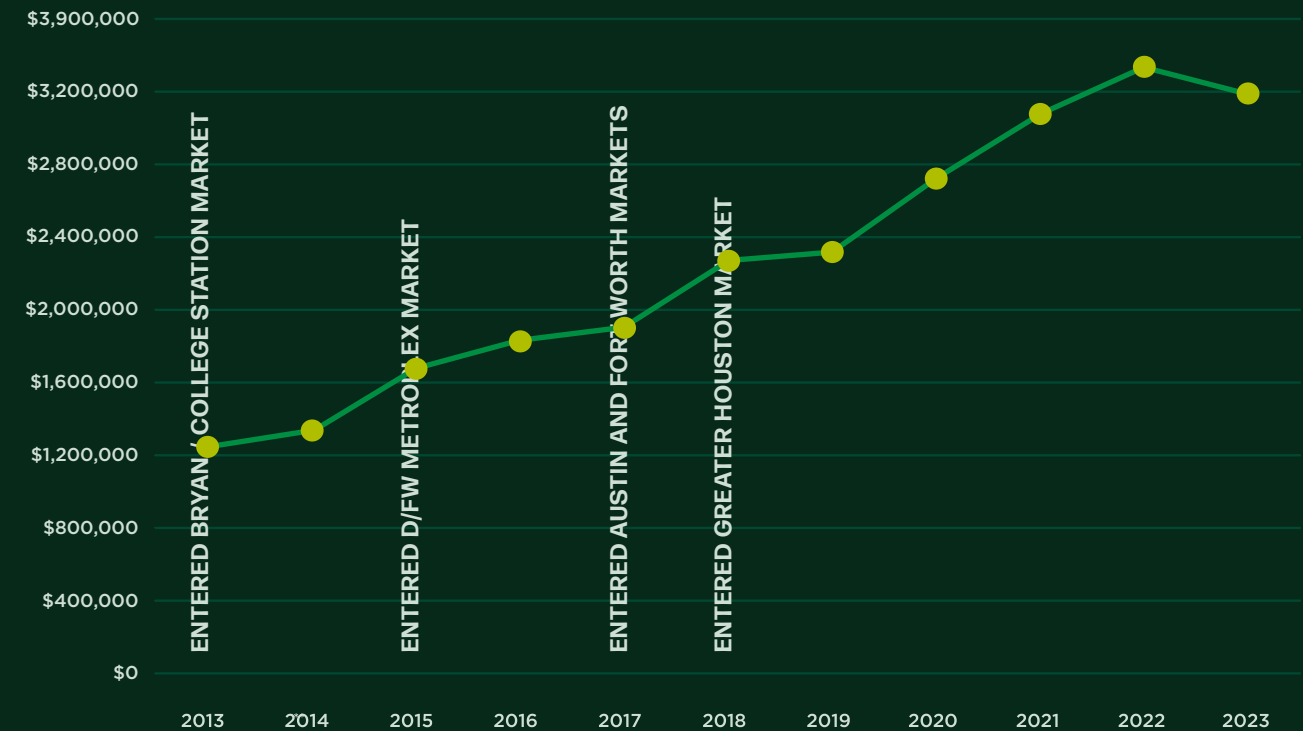
Net income ²	\$2.05	\$2.25	\$3.30	\$3.38	\$2.57
Market price (value based on year end numbers)	32.88	29.95	37.58	34.64	33.62
Tangible book value ²	17.76	19.74	22.09	21.85	23.37
Cash dividends ²	0.64	0.71	0.80	0.88	0.92

¹Pre-tax, pre-provision, pre-securities gain (loss), and pre-PPP related extraordinary income.

²Periods prior to the stock dividend issued during the first quarter of 2021 have been adjusted to give effect to the 10% stock dividend.

10-YEAR ASSET TREND CHART

Total assets (dollars in thousands)



5-YEAR PERFORMANCE TRENDS

(Dollars in millions)



*Total gross loans, including loans held for sale.

**Core earnings defined as pre-tax, pre-provision and pre-PPP related net earnings.



GUARANTY BANK & TRUST
BOARD OF DIRECTORS

FRONT ROW

LEFT TO RIGHT

1. JEFF BROWN

MANAGING PARTNER
ROSEROCK

2. CARL SMITH

INVESTMENTS

3. TY ABSTON

CHAIRMAN OF THE BOARD
& CEO
GUARANTY BANK & TRUST

4. CHRIS ELLIOT

PRESIDENT
ELLIOTT AUTO GROUP

5. RICKY BAKER

KRB INVESTMENTS, LLC

BACK ROW

LEFT TO RIGHT

1. KIRK LEE

VICE CHAIRMAN &
CHIEF CREDIT OFFICER
GUARANTY BANK & TRUST

2. JOSH BRAY

ENTREPRENEUR

3. EDDIE PRIEFERT

PRESIDENT
PRIEFERT MANUFACTURING
CO., INC.

4. BRAD DRAKE

CEO
LAMAR COMPANIES, LLC

5. CHUCK COWELL

VICE CHAIRMAN, SENIOR
EXECUTIVE OFFICER
GUARANTY BANK & TRUST

6. BRIAN MASON

MANAGING DIRECTOR
BOONE CREEK
INVESTMENTS, LLC

7. CARL JOHNSON JR.

PRINCIPAL
BAKER & JOHNSON, CPA

8. JIM BUNCH

PRESIDENT & CEO
BWI, INC.

9. SHALENE JACOBSON

EXECUTIVE VICE PRESIDENT
& CFO
GUARANTY BANK & TRUST

10. MIKE NOLAN

INVESTMENTS

11. CAPPY PAYNE

SENIOR EXECUTIVE
VICE PRESIDENT
GUARANTY BANK & TRUST

DELIVERY OF ANNUAL REPORT

This Annual Report is being delivered to shareholders of Guaranty Bancshares, Inc. (the "Company") in connection with the 2024 Annual Meeting of Shareholders and should be read with the Company's proxy statement for the meeting and Annual Report on Form 10-K, copies of which accompany this Annual Report and have been filed with the Securities and Exchange Commission ("SEC"). This Annual Report is also available on our website www.gnty.com under the heading "Investors - Financial Information." The Company will mail additional copies of this Annual Report to its shareholders upon request.

FORWARD-LOOKING STATEMENTS

This Annual Report may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views with respect to, among other things, future events and our results of operations, financial condition and financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "should," "could," "predict," "potential," "believe," "will likely result," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "projection," "would" and "outlook," or the negative version of those words or other comparable words of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Such factors include, without limitation, the "Risk Factors" referenced in our most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q, other risks and uncertainties listed from time to time in our reports and documents filed with the SEC, and the following factors: business and economic conditions generally and in the financial services industry, nationally and within our current and future geographic market areas; economic, market, operational, liquidity, credit and interest rate risks associated with our business; natural disasters and adverse weather, acts of terrorism, cyber-attacks, an outbreak of hostilities, a public health outbreak (such as COVID-19) or other international or domestic calamities, and other matters beyond our control; the composition of our loan portfolio, including deteriorating asset quality and higher loan charge-offs; the laws and regulations applicable to our business; our ability to achieve organic loan and deposit growth and the composition of such growth; increased competition in the financial services industry, nationally, regionally or locally; our ability to maintain our historical earnings trends; our ability to raise additional capital to execute our business plan; acquisitions and integrations of acquired businesses; systems failures or interruptions involving our information technology and telecommunications systems or third-party services; the composition of our management team and our ability to attract and retain key personnel; the fiscal position of the U.S. federal government and the soundness of other financial institutions; and the amount of nonperforming and classified assets we hold. We can give no assurance that any goal or plan or expectation set forth in forward-looking statements can be achieved and readers are cautioned not to place undue reliance on such statements. The forward-looking statements are made as of the date of this Annual Report, and we do not intend, and assume no obligation, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events or circumstances, except as required by applicable law.

DIVIDENDS CALENDAR

Dividends on Guaranty Bancshares, Inc. common stock are payable, if paid, quarterly.

INDEPENDENT AUDITORS

Whitley Penn
8343 Douglas Avenue
Suite 400
Dallas, Texas 75225

TRANSFER AGENT

Computershare Investor Services
P. O. Box 50500
Louisville, KY 40233
Shareholder Services
800-962-4284

STRONG HISTORY, STRONG FUTURE



R F SCOTT BUILDING
PARIS, TX

A JOB WELL DONE



CAPPY PAYNE

SENIOR EXECUTIVE VICE PRESIDENT

Cappy joined Guaranty forty years ago, in 1984, as a credit analyst, before advancing to a senior loan officer and eventually Chief Financial Officer of the Company. His contributions to the bank and its culture have been invaluable. During his tenure, Cappy helped facilitate significant growth, several bank purchases, and two initial public offerings, among being a valuable mentor to many bank employees. In his retirement, Cappy plans to travel with his wife, Lynette, play more golf and enjoy sporting events and activities with his grandchildren.



MARTIN BELL

CHIEF OPERATIONS OFFICER

Martin joined Guaranty as an Executive Vice President in 2005 and has over 35 years of banking experience. He has added tremendous value to the Company through his ability to expertly navigate operational issues and improve process efficiencies as our Chief Operations Officer. In his retirement, Martin plans to spend time enjoying his growing list of hobbies including traveling with his wife, Kendra, woodworking, fly fishing, triathlons and blade smithing.



CHUCK COWELL

VICE CHAIRMAN

Chuck joined Guaranty as Vice Chairman and Executive Vice President in 2015. He's had a long and distinguished career with over 50 years in the banking industry. Chuck provided our bank with a strong foundation to build and grow our D/FW region, which has grown to seven locations since he joined us, as well as providing expert mentorship and guidance for complex credit, underwriting and servicing matters. In his retirement, Chuck plans to enjoy his family, friends and visit as many golf courses as possible.





Guaranty
Bancshares, Inc.